

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IES UTILITIES INC., n/k/a INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. PSA-01-1
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ORDER ADDRESSING RESPONSES TO BOARD QUESTIONS

(Issued April 15, 2002)

PROCEDURAL BACKGROUND

On December 13, 2001, the Utilities Board (Board) issued an order opening a docket concerning violations of federal and Board pipeline safety regulations by IES Utilities Inc., n/k/a Interstate Power and Light Company (IES). The Board ordered IES to file a report by January 31, 2002, containing a plan for corrective action and to take the corrective action indicated by the plan. The Board also ordered IES to file monthly progress reports showing the corrective action taken and providing an explanation of why any scheduled corrective action was not completed.

On January 30, 2002, IES filed the required report detailing the action to be taken to correct the violations described in the Board's December 13, 2001, order. On February 19, 2002, IES filed the first monthly progress report. The Board issued an order on March 12, 2002, addressing the plan for corrective action and requesting additional information from IES. On March 19, 2002, IES filed the March Progress

Report and included the additional information as requested in the March 12, 2002 order.

The Board has reviewed the March 19, 2002, progress report and the responses to the Board's request for additional information. The Board will address the responses to the Board's request for additional information below and will indicate those items for which additional information will be requested.

RESPONSES

1. **Does IES intend to provide the Belmond District with a gas foreman and, if not, how will it ensure that the Belmond District receives the same flow of information and supervision as the other districts?**

IES believes that establishing a gas foreman position in the Belmond District would not achieve the desired result. IES indicates that Richard Stadtlander has been assigned as the lead person responsible for gas system maintenance and code compliance for the Belmond area. IES indicates that Mr. Stadtlander will participate in all training and receive all communications, as do the foremen in the other districts. IES states that it will monitor the effectiveness of this approach, and if this approach is not effective, it may reconsider the hiring of a gas foreman for the Belmond District.

The Board considers the appointment of Mr. Stadtlander as the lead person responsible for gas system maintenance and code compliance in the Belmond District as an adequate approach to resolving the problems in the Belmond District at this time. As indicated by IES, this approach may have to be revisited if the Belmond District does not comply with the corrective action plan as well as the other districts.

2. **How will IES ensure that the two sets of corrosion control records are being filed?**

IES stated that it recognized the need for a more formal process to ensure that corrosion control records are maintained and filed. IES indicates that a process will be in place by April 15, 2002, to monitor tracking and monthly reports for Corrective Maintenance Orders (CMOs). This reporting process will be used to verify and cross-check the existence and status of CMO records.

The Corrective Maintenance Orders IES discusses appear related to insuring that corrosion control deficiencies, once found, are corrected. They do not appear relevant to the issues of assuring that corrosion surveys are conducted on schedule, or to whether upon completion of the survey the correct number of reports are properly completed and filed. IES will be asked to clarify its response to explain how these two additional issues are being addressed.

3. **Do the reported response times for leak calls include the total time from when a call is taken to when a serviceperson arrives or from when the serviceperson is dispatched until their arrival?**

IES indicates that the response times for leak calls reported to the Board include the total time from when a call is taken to when a serviceperson arrives at the site. The March Progress Report shows total numbers of leak calls and the total number of leak calls responded to in less than one-hour. This information shows an improvement for February 2002 over February 2001. The March Progress Report also describes additional actions taken by IES to improve its response times.

The information provided by IES contends that the percentage of leak calls with response times of over 60 minutes is improving. However, for the remaining

calls with long response times, the aggregate information provided is insufficient to show whether the response times are significantly or only slightly in excess of 60 minutes, whether the slow response times are concentrated in certain areas, or what the reason might be. In future monthly reports IES shall provide, for each leak call response time in excess of 60 minutes in the preceding month, the date of call, the time the call was received, the time the call was dispatched, the time the serviceperson arrived, the district and location or city, and the reason for the delayed response time.

4. **If heating and plumbing contractors would be designated as emergency responders for gas leak calls, how would this program be implemented? Would the contractors be included in IES' drug and alcohol testing program under 49 CFR 199 and how will IES ensure that the contractors have the necessary equipment to respond to leak calls?**

IES agrees that if contractors and plumbers are used as emergency responders they will be subject to requirements related to drug and alcohol testing under 49 CFR 199 and therefore would have to be brought into IES' program. IES states that it would also have to ensure that the contractors had the required equipment. For these reasons IES indicates that it will not use the contractors and plumbers for emergency responders unless other measures do not produce satisfactory results.

The Board finds the response to this question acceptable.

5. **How will conversion to a Windows-based program for regulator and relief valve capacity calculations remedy the problem of discrepancies between the data used for such calculations and the maximum allowable operating pressure records?**

The new software that IES is planning on implementing would allow IES to better identify the existence of discrepancies. The maximum allowable operating

pressure records will then be centrally located and only members of the gas-engineering group can make changes to the records. IES states that the system will also be easier to maintain.

The Board considers the move to a Windows-based system to be acceptable, since the new system should be more easily updated and more user-friendly than the old system.

6. **Will the self-audits and staff reviews to determine the adequacy of pressure tests be performed by separate personnel or is the review by the engineering staff the self-audit?**

IES states that the self-audits and the staff reviews will be performed by separate personnel. The Board finds this is an acceptable procedure and also finds that the note added to the testing requirement section of the Operation and Maintenance (O&M) Plan that states, "Any variations to the above pressure test requirements shall be approved by Gas Engineering and documented with a permanent record of such approval," should help eliminate errors in testing.

7. **What measures will be taken to ensure that contractors are aware of IES' testing requirements, and will tests by contractors be monitored by IES inspectors capable of recognizing if the proper test procedure was being followed?**

IES indicates that training is provided to contractors prior to each construction season. The training includes review of IES testing requirements, and additional training is provided for contractors working on larger individual projects. Additionally, the work performed by contractors is subject to review by IES inspectors.

The Board finds this response acceptable.

8. **Is the determination of an inadequate pressure test based upon IES test standards as well as federal minimum pipeline testing standards?**

IES indicates that the determination of inadequate pressure test is based upon IES test standards. Tests found to have been performed at less than IES' or federal standards will be redone to IES standards.

The Board considers the addition of the note in the O&M Plan as discussed in question 6 to also aid in solving this.

9. **What procedures ensure that the responsibilities assigned to Mr. Greiner and Mr. House are properly coordinated and information is exchanged?**

Mr. House has responsibilities assigned that are limited to Iowa and Minnesota jurisdictions. Mr. Greiner as Operations Specialist (Gas) will not change Mr. House's responsibilities significantly, and Mr. Greiner now receives information that also is directed to Scott Jones, Managing Director of Operations. This allows Mr. Jones more time to focus on oversight of the gas system activities of the operations managers. Additionally, Mr. Greiner has an oversight role for identifying performance gaps and developing action plans. Mr. House as well as other personnel will then lead the activities under the action plans.

Communications between IES and the Board have improved since Mr. House assumed his position. With the additional focus of Mr. Greiner on compliance with safety code requirements, the Board expects this to continue and to further improve.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. In its next report IES Utilities Inc., n/k/a Interstate Power and Light Company, shall describe how it will assure that corrosion surveys are conducted on schedule, and that upon completion of the survey the appropriate reports, and the correct number of reports, are properly completed and filed.

2. In future monthly reports IES Utilities Inc., n/k/a Interstate Power and Light Company, shall provide for each leak call response time in excess of 60 minutes in the preceding month, the date of call, the time the call was received, the time the call was dispatched, the time the service person arrived, the district and location or city, and the reason for the delayed response time.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 15th day of April, 2002.